

**SPECIAL ASSEMBLY MEETING
THE CITY AND BOROUGH OF JUNEAU, ALASKA**

Meeting Minutes - April 26, 2017

MEETING NO. 2017-09: The Special Meeting of the City and Borough of Juneau Assembly, held in the Assembly Chambers of the Municipal Building, was called to order at 5:00 p.m. by Mayor Ken Koelsch.

I. CALL TO ORDER / ROLL CALL

Assembly Present: Mary Becker, Maria Gladziszewski, Norton Gregory, Loren Jones, Jesse Kiehl, Ken Koelsch, Jerry Nankervis, Beth Weldon and Debbie White.

Assembly Absent: None.

Staff Present: Rorie Watt, City Manager; Mila Cosgrove, Deputy City Manager; Amy Mead, Municipal Attorney; Laurie Sica, Municipal Clerk; Beth McEwen, Deputy Clerk; Bob Bartholomew, Finance Director; Sam Muse, Controller; Elisabeth Jensen, Budget Analyst; Rob Steedle, Community Development Director; Robert Barr, Library Director; Jane Lindsey, Museum Director; Roger Healy, Engineering and Public Works Director; Dave Pusich, Recreation Manager; Lindsey Foster, Admin Officer II, P&R; Lauren Verrelli, Admin Asst. II, P&R; Merrill Jensen, Arboretum Manager; Chuck Bill, CEO, Bartlett Regional Hospital; Alan Ulrich, CFO, Mark Miller, Juneau School District Superintendent; David Means, Director, Administrative Services, JSD.

II. AGENDA TOPICS

- A. Public Hearing: Ordinance 2017-05 An Ordinance Establishing the Rate of Levy for Property Taxes for Calendar Year 2017 Based Upon the Proposed Budget for Fiscal Year 2018.

This ordinance establishes the mill rates for property taxes for 2017, which fund a significant portion of the City and Borough of Juneau's FY18 operating budget. The Charter requires the Assembly to adopt, by ordinance, the tax levies necessary to fund the budget before June 15.

The mill levies presented in this ordinance support the Manager's FY18 Revised Budget that will be reviewed by the Assembly Finance Committee. As part of the budget review process, the Assembly Finance Committee will review and recommend, to the Assembly, the final mill levies. The final mill levies must be adopted on or before June 15.

For FY18 both the operating and debt service mill rates remain unchanged. This ordinance proposes a total mill levy of 10.66, the components of which are:

Operation Mill Rate by Service Area

Millage

Roaded Service	2.30
Area	
Fire Service Area	0.36
Areawide	6.60
Operating Total	9.26
 Debt Service	 1.40
Total	10.66

The City Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.

Public Comment:

None.

Assembly Action:

MOTION, by Kiehl, to refer Ordinance 2017-05, establishing the mill rate for property taxes for 2017, to the Finance Committee. Hearing no objection, it was so ordered.

- B. Public Hearing: Ordinance 2017-06 An Ordinance Appropriating Funds from the Treasury for FY18 City and Borough Operations.

This ordinance appropriates \$340,503,300 for the City and Borough of Juneau's FY18 operating budget, excluding the School District. It is necessary to appropriate all transfers between funds that support operations, debt service and capital projects as well as the associated expenditures within the funds themselves. These transfers account for \$96,100,100 of the FY18 operating budget. During the weekly Finance Committee meetings in April and May we will walk through the components of the budget and explain changes from the prior year.

The Charter requires that a public hearing be held on the FY18 operating budget by May 1, 2017, and adoption by June 15, 2017.

The City Manager recommends holding the charter required public hearing for this ordinance, followed by referral back to the Assembly Finance Committee for further review.

Public Comment:

- *Kim Metcalfe* said she was out of town during the priority driven budgeting process. She distributed some illustrations from the book she wrote about the ANB/ANS organization and said her source of photos was the city museum. She asked the Assembly to continue to fund the program.

Albert Judson spoke in support of the value of the city museum. The continuity of history of the native and non-native people in the community was important to protect.

Shonna McMahon spoke in support of the city museum, which encompasses a broad scope of local history and protects important materials. She asked the Assembly to continue funding the museum.

Don Harris spoke about his membership on the Historic Resources Advisory Committee, and work as a volunteer at the city museum and the mining museum. He strongly supported keeping city museum open.

Fumi Matsumoto spoke about the support given by the city museum to the Empty Chair project, which highlighted the internment of Japanese Americans during WWII, and asked the Assembly to continue support of museum operations.

Ross Soboleff spoke in support of the city museum and the work of those who founded the museum collection. He said it is the bedrock of the history of the community.

Katheriyn Cohen said the economic success is reflected in the community's institution and the museum was a sign of the community's pride and progress.

Chuck Cohen said that community members contribute 43% of the funds in the museum budget and encouraged the Assembly to increase the museum's budget.

Jean McBrien said the museum was the community's heirloom and should not be closed.

Zane Jones thanked the Assembly and the Planning Commission for the support of history in the community. Cutting funding would go against years of hard work and cutting museum funding was a short term savings compared to years of work and grants.

Mary Pat Wyatt was the city museum curator and director for 20 years and worked with many people over that time, including people who trusted CBJ by donating their personal objects to the museum. Donations were made to convert the library to the museum, and she would hate to see it lost.

Marie Darlin said she has been a part of the development of the city museum and has lobbied for staffing for years. The history in the museum tells why Juneau is the capital of Alaska and if we want to maintain that status we need to protect our history. She said closing the museum would be difficult. The collection would need to be addressed and the building is on the historic register.

Joel Probst thanked everyone for their presence and support of the museum. He said the museum protects the community's cultures, customs and tradition and he spoke about the many programs offered.

Sharon Denton said she is a volunteer for Travel Juneau and she directs tourists to the city museum, which is one of the most popular places to visit in the community.

Marie Olson said the museum belongs to the people, and many of the artifacts were donated by the people of Juneau. The museum tells our history and should not be closed.

Pat Henry said it blew his mind that the Assembly would even consider closing the museum. It is an important part of the community, a tourist attraction and a source of history. He said he would prefer to increase the mill rate than to see the museum closed.

Mary Irvine said she did not support the priority driven budgeting process and random samples of the community were not a good way to make decisions. The notice of the process was poor. This decision is the work of elected officials. The city museum explores what it means to be a Juneauite in the way that the state museum explains what it means to be an Alaskan. It is more than a tourism attraction. It is an economic engine for the community. There is a public trust in a museum collection that must be observed.

Jack Marshall said he is a history writer who has used the city and state museum to gather information. The museum is the heart of the city. The building is on the national historic register. One of the five first white settlers owned the land that the museum is located upon. Without history, we miss out.

Kim Garnero spoke in support of the Jensen Olson Arboretum and said the property was gifted to CBJ along with an endowment. The CBJ agreed to maintain access, and if the arboretum is closed, it would lose the endowment and it would take 30 years to realize any savings.

Joe Geldhof said he participated in the priority based budgeting process. What was supposed to be a "listening" process was a "talking at" process. What is not obvious is where we can find efficiencies. This is a management problem and they have not done an adequate job.

Cathy Connor supported the Juneau Icefield program, the Eagle Valley Center, the museum and the arboretum. She spoke about the collaborative work happening at the Eagle Valley Center with a variety of non-profit programs using the facility.

Richard Carstenson spoke in support of the Eagle Valley Center, which is focused on youth. He is a naturalist and he works to understand the wild places and how people fit in. The meadow behind the Eagle Center is one of the two most vital places for wildlife in Juneau, the other is Cowee Meadows.

Sean Eisele, Director of Discovery Southeast, said his program works with the Eagle Valley Center, the arboretum and the museum, all subject to potential cuts, to which he objected. He spoke about the importance of all of the programs.

Joe Parrish supported the Eagle Valley Center and asked the Assembly to give the center a chance to see how they can develop programs that will break even. He ran a non-profit organization that ran programs at the center and he spoke about the unique niche environmentally and socially, which complemented all the programs in the area. They are

on the road to self-sustaining operations and the programs have had a direct benefit to youth.

The following people signed a statement of support for keeping the museum open: Brian Weed, Morgan Davis, Jean Henry, Lydia Mills, Megan Eagle, Carol Scafturon, Heather McClain, Jennifer Treadway, Cathy Connor, Hetty Barthel, Jodi DeBruyne, Marcia Phillips, Coladi Kurl, Liz Brooks and Bridget Smith.

The following people signed a statement of support for keeping the Jensen Olson Arboretum open: Morgan Davis, Jean Henry, and Cathy Connor.

Mayor Koelsch said he and the Assembly appreciated the citizen participation and information.

Assembly Action:

MOTION, by Kiehl, to refer Ord 2017-06 to the Finance Committee for further review. Hearing no objection, it was so ordered.

C. Public Hearing: Ordinance 2017-07 An Ordinance Appropriating Funds from the Treasury for FY18 School District Operations.

This ordinance will appropriate to the School District an FY18 operating budget of \$87,267,200. This is an overall increase in the budget of \$1.70 million from the FY17 Amended Budget. The School District's operating budget is:

· General Operations	\$72,020,700
· Special Revenue (pupil transportation, food service, etc)	7,164,400
· Other	<u>8,082,100</u>
Total Budget	\$87,267,200

The FY18 school budget is supported with a combination of funding sources that includes local funding of \$26,935,900. This consists of: \$26,010,200 for general operations, \$925,700 programs and activities outside of the CAP. These programs and activities include: \$740,700 for student activities, \$50,000 for pupil transportation, \$40,000 for food service and \$95,000 for Community Schools. The \$26 million in general operations support is an increase of \$1 million over FY17. The other program and activities funding is unchanged.

State statute requires the Assembly to determine the total amount of local educational funding support to be provided and provide notification of the support to the School Board within 30 days of the School District's budget submission. The district's budget was submitted March 30, 2017. To meet this timing provision, it is necessary for the Assembly to determine the amount of funding and provide notice in the month of April. This amount cannot subsequently be reduced, unless the amount exceeds the State funding CAP, but it can be increased. If the Assembly does not set the amount

and furnish the School Board with notice within 30 days, the amount requested by the School District is automatically approved. By Charter, the Assembly is required to appropriate the School District's budget no later than May 31, 2017.

At this meeting, the Assembly needs to state, by motion, the amount of local funding to be provided to the School District.

The Manager recommends holding the charter required public hearing for this ordinance, followed by a motion to set the amount of local funding to be provided to the School District and then to refer the ordinance back to the Assembly Finance Committee for additional review.

Public Comment:

Brenda Taylor said she is a parent, a volunteer in the schools and on a site council, and supports the highest level of funding possible for the school district. The new science curriculum is exciting and involves local scientists. The excitement among the teachers about this new program is heartening.

Representative Justin Parrish thanked the Assembly for the support of the school district and said he is working to ensure the state honors its responsibilities to youth and education. He urged generous support of the school district as the best investment that can be made.

Brian Holst signed a statement of support for full funding of schools.

Assembly Action:

MOTION, by Kiehl, to set the amount of local funding to the school district at \$26,935,900 and to refer the ordinance to the Finance Committee, leaving \$213,000 of items on the pending list.

Mr. Jones asked if the Assembly needed to separate the motion to reflect the funding inside the cap and the funding outside of the cap.

Mr. Bartholomew said in Ordinance 2017-07 shows that the funding for the school district is broken out between operational funding (i.e. "cap funding") and money for special revenue programs and student activities that totals \$925,700, which would be the remaining of the funding. There is a state maximum that can be spent on general education and that is the number reflected for operations in the ordinance.

Ms. Mead said she did not see Mr. Kiehl's motion as different from the ordinance presented.

Mr. Nankervis objected on process and principal. He is not averse to funding to the cap and beyond. His concern is that this amount can not subsequently be reduced, we are setting this aside now when we do not know if we will be able to do this - it feels premature. We do not have all the cards and we should not go "all in." We are not able to lower this number

later when we find out what happens with the state budget.

Mr. Kiehl said the charter anticipates that the Assembly makes the commitment to the school district before we are done with the budget. He is comfortable in making the commitment to the schools now.

Ms. Gladziszewski agreed with Mr. Nankervis and said there is time to review this matter.

Ms. Mead said Section 13.6 of the Charter required the Assembly to provide the School District with a number within 30 days of submission of its budget or the Assembly provides the number requested by the school district.

Mr. Bartholomew said that the School District provided its budget to the Assembly on March 30, and the Assembly had until April 30 to set a minimum amount. Ms. Gladziszewski noted the deadline.

Roll call:

Aye: Becker, Gregory, Jones, Kiehl, Koelsch

Nay: Gladziszewski, Nankervis, Weldon, White

Motion passed, 5 ayes, 4 nays.

- D. Public Hearing: Resolution 2791(b) A Resolution Adopting the City and Borough Capital Improvement Program for Fiscal Years 2018 Through 2023, and Establishing the Capital Improvement Project Priorities for Fiscal Year 2018.

This resolution would adopt the Capital Improvement Program (CIP) for fiscal years 2018 through 2023, as required by Charter Section 9.4, and lists the capital projects that will be undertaken in FY 2018.

The Public Works and Facilities Committee (PWFC) reviewed the CIP at its meeting on February 27, 2017, and forwarded the plan to the Assembly.

The City Manager recommends holding the charter required public hearing for this resolution, followed by referral back to the Assembly Finance Committee for further review.

Public Comment:

Dennis Harris said that the lower end of Capital Avenue keeps getting pushed lower on the CIP list and it gets a lot of traffic. Between 9th and Willoughby, the street is in horrible shape. It has constant potholes and repairs. There is survey issues, but it needs to be on the list for this year or next year. A traffic count will show the use of the street. Right of Way will be needed, negotiations with the BIA, and some property may be needed to be taken. He asked the Assembly to give the project a higher priority.

Assembly Action:

***MOTION**, by Kiehl, to refer Resolution 2791b to the Finance Committee for further review.* Hearing no objection, it was so ordered.

III. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

Don Habeger spoke about a business he is developing and his experience with the Sales Tax Division.

IV. ADJOURNMENT

There being no further business to come before the Assembly, the meeting adjourned at 7:05 p.m.

Signed: _____
Laurie Sica, Municipal Clerk

Signed: _____
Kendell D. Koelsch, Mayor